

1 Amend 2 Cal. Code Regs. Section 18704 to read:

2 **§ 18704. Determining Whether an Economic Interest Is Directly or Indirectly**  
3 **Involved In a Governmental Decision.**

4 (a) In order to determine if a governmental decision's reasonably foreseeable  
5 financial effect on a given economic interest is material, it must first be determined if the  
6 official's economic interest is directly involved or indirectly involved in the  
7 governmental decision. If a public official's economic interest is not directly involved in  
8 a governmental decision, it is indirectly involved.

9 (1) For governmental decisions which affect business entities, sources of income,  
10 and sources of gifts—~~apply Title 2, California Code of Regulations, section 18704.1;~~  
11 apply Regulation 18704.1.

12 (2) For governmental decisions which affect real property interests—~~apply Title 2,~~  
13 ~~California Code of Regulations, section 18704.2.~~ apply Regulation 18704.2.

14 (3) For governmental decisions which affect the personal expenses, income, assets  
15 or liabilities of the public official or his or her immediate family (personal financial  
16 effect)—~~apply Title 2, California Code of Regulations, section 18704.5.~~ apply Regulation  
17 18704.5.

18 Authority: Section 83112, Government Code.

19 Reference: Sections 87100, 87102.5, 87102.6, 87102.8 and 87103, Government Code.